

619530

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

SECRET/CONTROL-U.S.OFFICIALS ONLY

25X1

COUNTRY	Hungary	REPORT	
SUBJECT	"Selected" Industries of the Ministry for Metallurgical and Machine Industries	DATE DISTR.	9 March 1954
DATE OF INFO.		NO. OF PAGES	6 25X1
PLACE ACQUIRED		REQUIREMENT NO.	RD 25X1
		REFERENCES	

This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

25X1

1. In accordance with instructions issued by the Hungarian Government in December 1952, certain Hungarian factories and plants have been designated as "selected" undertakings. This designation means in practice that they are regarded as key undertakings, entitled to priority treatment in the supply of raw materials and labor. Labor conditions in the "selected" undertakings also vary from those prevailing in other factories and plants. Thus, certain privileges, such as payment for overtime, are allowed; on the other hand labor regulations are enforced more rigorously.
2. The actual choice of the "selected" undertakings was left to each ministry concerned. However, a general directive was issued concerning these plants. This directive stressed the necessity of giving priority treatment to:
  - a. the largest and most important undertakings;
  - b. those undertakings the products of which are of particular importance to the export trade;
  - c. those undertakings the products of which are essential to the fulfilment of the programs (and particularly the export programs) of other undertakings.
3. By September 1953, 36 factories and plants falling under the Ministry for the Metallurgical and Machine Industries had been designated as "selected" undertakings. Short particulars of these are given in the following paragraphs.
4. Ózdi Metallurgical Works (Kohászati Üzemek), Ozd  
 One of the largest iron and steel works in Hungary, with a staff of approximately 10,000 workers and employees. The works have 10 martin furnaces, 3 blast furnaces, one heavy rolling mill, one rolling mill for thin plates, one mill for rolling three

25 YEAR RE-REVIEW

SECRET/CONTROL-U.S.OFFICIALS ONLY

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC		ORR Ev	X		
-------	---	------	---	------	---	-----	---	-----	--	-----	--	--------	---	--	--

(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

SECRET/CONTROL-U.S.OFFICIALS ONLY

- 2 -

plates simultaneously, a wire manufacturing plant, etc. The steel products of the works are distributed as follows:

- a. ingots to: Lőrinci Rolling Works (Hengermű), Budapest  
Borsodnádasdi Plate Factory (Lemezgyár), Borsodnádasd
- b. wire to the Wire Drawing Factory at Miskolc
- c. crude bars to: Gyöngyös mellett<sup>1</sup>  
Eger mellett<sup>1</sup>  
Debrecen mellett<sup>1</sup>

The Ózd works also produce semi-finished parts for the manufacture of artillery ammunition. These are supplied to:

Rákosi Mass Products Factory (R.M., Nagytömégárugyár), Budapest  
Vafém, Mosonmagyaróvár  
Automobile and Tractor Parts Factory (Atra), Budapest  
Aluminum Ware Factory (Alumíniumárugyár), Budapest  
Hunting Ammunition Factory (Vadásztölténygyár), Székesfehérvár  
Gyöngyös mellett<sup>1</sup>  
Eger mellett<sup>1</sup>  
Debrecen mellett<sup>1</sup>  
Diosgyőri Machine Works (Gépgyár), Diosgyőr  
Hungarian Steel Goods Factory (Magyar Acélárú Gyár), Budapest  
Mavag Railroad Engine and Machine Factory (Mozdony es Gépgyár), Budapest

5. Lenin Metallurgical Works (Kohászati Üzemek), Diosgyőr

Produces mainly high-grade steels (250 different kinds). It has 10 martin furnaces (one with a capacity of 120 tons was recently completed), one large blast furnace (700 cu. m.), 2 other blast furnaces, a forging plant, etc. The plant also has a special electrical steel foundry where gun barrels are made and supplied to the Heavy Tool Factory (Nehezszerszámggyár), Diosgyőr, which is the key plant of the Hungarian armaments industry. The plant employs approximately 8,000 workers and employees. There is a screw factory entirely independent of the works on the same site.

6. Lőrinci Rolling Works (Hengermű), Budapest

Produces mainly heavy plates for boilers, etc. The machinery for this plant originally came from the Lenin Metallurgical Works, Diosgyőr. The Lőrinci plant, which has about 1,200 employees also produces armor plating for tanks which is delivered to the Hungarian Optical Works (MOM or Magyar Optikai Művek), Budapest. The plant is the main supplier for:

Lang Machine Factory (Gépgyár), Budapest  
Diosgyőri Machine Factory (Gépgyár), Diosgyőr  
Mavag Railroad and Machine Factory (Mozdony es Gépgyár), Budapest  
Wilhelm Pick Railroad Car Factory (Waggógyár), Győr  
Ganz Railroad Car Factory (Waggógyár), Budapest

7. Lang Machine Factory (Gépgyár), Budapest

One of the most important Hungarian plants with a total staff of 3,000. Main products: diesel engines for ships, steam turbines, generators, steam locomotives (75 hp.), large parts for water turbines, etc. There is a special part of the plant where artillery ammunition is manufactured, employing a staff of some 400. It further produces bases and turning-tables for antiaircraft guns, which are supplied to Heavy Tool Factory (Nehezszerszámggyár), Diosgyőr.

SECRET/CONTROL-U.S.OFFICIALS ONLY

SECRET/CONTROL-U.S.OFFICIALS ONLY

- 3 -

8. Metal Goods and Machine Tool Factory (Fémáru és Szerzőmőgyár), Budapest

Produces: machine tools, in particular a certain type of revolving lathe which is used for manufacturing artillery ammunition in Hungary, and is also exported to Poland and Czechoslovakia. The plant itself manufactures this artillery ammunition. It further manufactures 2 different types of mortar shells. Staff: 1,500. The manager of this plant was recently dismissed and his deputy arrested.

9. Budapesti Machine-Tool Factory (Szerzőmőgyár), Budapest

Main product is the EU 1,000 lathe which is manufactured mainly for export (including to the West). About 40-50 lathes are produced per month. Staff: 1,200.

10. Diósgyőri Machine Factory (Gépgyár), Diósgyőr

Main products: heavy lathe type MVE 1,000, axles and wheels for railroad cars and locomotives. It also produces heavy artillery ammunition in the manufacture of which this MVE 1,000 is used. This plant has the largest machine tools in Hungary. There are 8,000 on the staff.

11. Hungarian Steel Goods Factory (Magyar Acélárú Gyár), Budapest

Main products: spiral boring machines, springs for railroad carriages and cars, small axles, all kinds of more delicate steel products, component parts of lathes. It also produces mortar barrels which again are supplied to the Heavy Tool Factory (Nehezszerszámgyár), Diósgyőr.

12. First Hungarian Agricultural Machine Factory (Első Magyar Mezőgazdasági Gépgyár or EMAG), Budapest

Main product: Soviet-type agricultural combines (harvester and threshing machine). Staff: 1,400.

13. Kovács (Kőbányai Iron and Steel Foundry i.e. Vas és Acélöntőde), Budapest.

Steel foundry for highest grade steels, "Vida" steel plates, magnetic steel, stainless steel, etc. Staff: 800.

14. Steel Casting and Pipe Factory (Acélöntő és Csőgyár), Budapest

Small plant producing mainly water piping.

15. Mavag Railroad Engine and Machine Factory (Mozdony és Gépgyár), Budapest

Main products: locomotives, bridges (including military bridges), compressors, water pumps, machine tools, steam locomobiles (275 hp.). It also produces artillery ammunition. It has large foundries for aluminum, light metals and heavy metals. Staff: 800-900.

16. Wilhelm Pick Railroad Car Factory (Waggógyár), Győr

Main products: all types of railroad and passenger coaches, special trucks for transporting iron ores, electric streetcars, steam cranes for railroads. It has a high-grade steel foundry for producing steel parts for railroad engines and cars. There is an independent screw factory on the site of the plant. Staff: 700. One of the most important Hungarian undertakings from the point of view of the export trade.

SECRET/CONTROL-U.S.OFFICIALS ONLY

SECRET/CONTROL-U.S.OFFICIALS ONLY

25X1

- 4 -

17. Ganz Railroad Car Factory (Wagógyár), Budapest

Main products: diesel engines, rail cars. It has an iron and steel foundry with an electric steel furnace (capacity 8 tons), which was bought in 1947 but has only been operating since the summer of 1953.

25X1

These parts were finally obtained  
It also produces base plates for mortars. Staff: 5,000-6,000.

18. Csepel Automobile Factory (Autógyár), Csepel-Szigetszentmiklós

Main products: 3½-ton trucks, including military trucks and so-called "commando" cars (a large-type jeep). Monthly production: approximately 500 trucks and an additional 500 truck engines. It also produces engines for pumps, compressors, agricultural combine harvesters, 4-6 cylinder gasoline and diesel oil engines. Staff: 3,000.

19. Ikarusz, Budapest

Produces bodies and chassis for buses and military cars.

20. Red Star Tractor Factory (Vörös Csillag Traktorgyár), Budapest

Main product: tractors. The plant has its own steel and iron foundry. Staff: 3,000.

21. Gheorghiu-Dej Shipyard (Hajógyár), Budapest

This plant produces almost exclusively sea-going ships of 1,250 tons for the USSR. Production approximately one ship per month. 42 of these ships have already been delivered to the USSR. They are mainly used in northern waters. Riveted plates are used in the construction of these ships; there is talk, however, of going over to welded plates. The plant also produces 1000-ton floating cranes which are exported mainly to Poland. It has a large foundry.

22. Klement Gottwald Electrical Factory (Villamosági Gyar former Ganz Villany), Budapest

Main products: electric engines, electric locomotives, every type of engine for power plants, etc. Staff: 4,000.

23. BVK (Budapesti Villamosági és Kábelgyár, formerly Siemens), Budapest

Main products: cables, switch boards, electric engines. This plant has a new foundry.

24. Cable Factory (Kábelgyár, formerly Felten), Budapest

Main product: electric cables. This factory has a large bakelite plant where bakelite noses for shells and bakelite casings for mines are produced. These are supplied to:

Vác mellett<sup>1</sup>  
Gyöngyös mellett<sup>1</sup>  
Eger mellett<sup>1</sup>  
Debrecen mellett<sup>1</sup>  
Budapest mellett<sup>1</sup>

25. RM<sup>2</sup> Machine Tool Factory (Szerszámgépgyár), Budapest

Main products: large machine tools, lathes, boring machines (in particular RF 5 boring machines and UF 22 milling machines. It also produces a special circular lathe for the Soviets. Most of the plant's products are exported. Staff: 2,000.

SECRET/CONTROL-U.S.OFFICIALS ONLY

SECRET/CONTROL-U.S.OFFICIALS ONLY

25X1

- 5 -

26. RM<sup>2</sup> Motorcycle Factory (Motorkerékpár Gvár), Budapest

Main product: motorcycles, 125 and 250 cc. Staff: 1,200

27. RM<sup>2</sup> Tube Factory (Csőgyár), Budapest

Produces all kinds of tubes.

28. RM<sup>2</sup> Martin Works (Martinüzem), Budapest

Steel foundry with 3 small martin furnaces.

29. RM<sup>2</sup> Metal Works (Fémű), Budapest

Main products: aluminum and copper plates, foil, etc.

30. United Incandescent (Egyesült Izzólámpa R.T., Tungaram), Budapest

Main products: radio tubes, electric tubes, etc. The factory has a special plant where automatic machines are produced for manufacturing these tubes and bulbs. In particular it produces a special kind of glass-blowing machine for the construction of tubes, etc., which is completely automatic and unique. This machine is exported to the USSR, Czechoslovakia and Rumania. Staff: 6,000-7,000.

31. Beloianisz (Standard), Budapest

Main products: telephone exchanges, military signaling equipment, radio transmitters and receivers, large transmitters for broadcasting stations, etc. Staff: 4,000.

32. Telephone Factory (Telefőngvár), Budapest

Main products: military and civilian telephone equipment. This factory also produces Integra installations (automatic braking system) for railroads, field communication equipment, radio receivers, transmitters and film projectors. Staff: 3,000.

33. Orion, Budapest

Produces wireless sets.

34. Industrial Chain Factory (Ipari Láncgyár)

Produces chains, in particular for ships.

35. Salgótarjáni Hearth Factory (Tűzhelygyár), Salgótarján

Main products: cooking stoves, mincing machines, field kitchens.

36. Kőbányai Enamel Ware Factory (Zománcedényvári Gvár), Budapest

Produces enamel goods, household goods, pressure cookers, stainless containers for the chemical industry, bottles, army eating utensils.

37. Factory for Electrical Appliances and Measuring Instruments (EKM or Elektromos Készülékek és Mérőműszerek Gvára), Budapest

Main products: electrical measuring instruments, electric signaling equipment.

SECRET/CONTROL-U.S.OFFICIALS ONLY

SECRET/CONTROL-U.S.OFFICIALS ONLY

- 6 -

25X1

38. Factory for Electronic Measuring Instruments (EMG or Elektronikus Mérőműszerek Gyára), Budapest

Produces all types of electronic instruments, including electronic measuring instruments.

39. Ganz Ammeter Factory (Árammérő Gyar), "Godollo"

Produces measuring instruments.

Comments:

25X1

1. The names of these plants cannot definitely be determined. The Hungarian word "mellett" means "by," "next to," or "near" i.e. the plant near Gyöngyös, Debrecen etc.

2. The letters RM stand for Rákosi Mátyás i.e. component factories of the Rákosi Mátyás combine (former Weiss Manfred).

SECRET/CONTROL-U.S.OFFICIALS ONLY